

Implementing
regulatory
reform

**Regulatory
Policy
Division
OECD**

RIA in OECD Countries

Challenges for Developing Countries



- **What is Regulatory Impact Analysis (RIA)?**
- **OECD best practices for implementing RIA**
- **Challenges for developing countries**

RIA is a decision-making tool:

- RIA is a range of methods to reach regulatory decisions....**
-based on systemic and consistent examination**
-of selected potential impacts arising from government regulation**
-and communicating the information to decision-makers**

Elements of RIA

- **Specify the problem which gives rise to the need for action**
- **What are the desired objective (s)**
- **What are the options available to achieve the objective (s)**
- **Consultation**
- **Assessment of the impacts**
- **Recommended option**
- **Communicate the results**

The potential benefits of a RIA system

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- **RIA as a learning process**
- **RIA as an analytical process**
- **RIA as a communication process**
- **RIA as an accountability and credibility process**

RIA is one tool of regulatory reform

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- **Administrative simplification**
- **RIA**
- **Transparency and communication**
- **Alternatives to regulation**
- **Compliance and enforcement**
- **Administrative justice and accountability**

1. Maximise political commitment to RIA

- Endorsement at the highest levels of government**
- Supported by clear ministerial accountability**

2. Allocate responsibilities for RIA programme elements carefully

- Policy bodies themselves should carry out RIAs**
- Checks to ensure quality and co-ordination**

3. Use a consistent but flexible analytical method

- Cost-benefit analysis**
- Cost-effectiveness analysis**
- Qualitative analysis**

4. Develop and implement data collection strategies

- Stakeholders (consultation)**
- Experts (e.g. interviews)**
- Surveys**
- Models (economic, model plants)**

5. Target RIA efforts

- Primary and Secondary regulations**
- Sectors and policy areas**
- Threshold for *when* to do RIAs**
- Two-step approach**

6. Integrate RIA with the policy making process

- Start as early as possible**
- Avoid transforming RIA into a justification report or making it internal ‘red tape’**
- Assessment of alternatives to regulations**

7. Involve the public extensively

- Participation dimension**
- Data gathering mechanisms**
- Increase compliance**
- Accelerate and ease the implementation**

8. Communicate the results

- Improves transparency and accountability**
- Improves regulatory compliance**
- Increases trust in government and RIA**

9. Train the regulators

- Important because RIA skills are different from traditional regulator skills**
- A vehicle for a cultural change for regulators**

10. Apply RIA to existing as well as new regulations

- RIA as a performance assessment instrument**

Challenges for developing countries

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- **Political issues**
 - Value conflicts and power struggles
 - Political demand for RIA
- **Legal issues**
 - Legislative constraints
- **Institutional and resource issues**
 - Targeting RIA
 - Training and technical expertise

Challenges for developing countries

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- **Technical issues**
 - Analytical methods and data collection
 - Ex-post evaluation
- **Procedural issues**
 - Quality-control problems
 - Structural design problems
- **Cultural change**

To know more about OECD's work on Regulatory Management and Reform

- <http://www.oecd.org/gov>
- <http://www.oecd.org/regreform>